Sect. II-27—50,000—4-1-52.

Public Works (1952) Department.

~~598~~ MS SERIES.

G.O. NO. 3983.

Dated 25-9-52

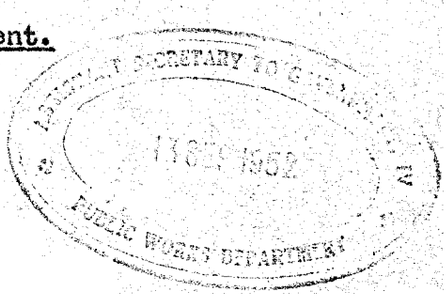
[Despatch Abstract.]

Electricity - Madras Electricity Supply Undertakings (Acquisition) Act, 1948 - Tadipatri Company electrical undertaking - Acquisition & Govt. - Blackstone & Crossley engine sets - Rate of depreciation fixed.

IMMEDIATE.

(Action taken on original

Tel:"Electricity". Electricity Department.



From
Sri K.V. Karantha, M.A.,M.I.E.,
Chief Electrical Inspector
to Government, 157, Mount Road,
Madras-2.

To
The Secretary to Government,
Public Works Department,
Fort St. George,
Madras-9.

Through
The Chief Operation Engineer (South),
157, Mount Road,
Madras-2.

No.151-M/51-171 dated the 12th September, 1952.

Sir,

Sub: Udipi electrical undertaking - Taken over by Government - Proposal for payment of final compensation - Submitted.

Ref: G.O. Ms. No. 3992 P.W., dated 29-9-51 and Government Memorandum No.31344-I/52-3 dated 6-9-52.

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I forward herewith the statement of claim for compensation preferred by the Accredited Representative of Messrs. Udipi electric supply corporation Ltd., along with a similar claim prepared by me in respect of the undertaking embodying the modification to the Accredited Representative's claims based upon the report of the Checking Officer, Audit Report and other relevant data as now available with me.

The amounts claimed under the various items by the Accredited Representative and the amounts recommended by me (and included in the claim statement prepared by me) are set down below. In respect of the depreciation calculated by the Accredited Representative for some of the assets like buildings, public lighting, service connections, automatic voltage regulator, crane and meters is found to be slightly more than what would have to be provided for under the Act strictly. Since the licensee has also calculated depreciation as per the Act, I am accepting his figures only, as it is not only advantageous to Government but also enables Government to reduce the points of difference between the Accredited Representative's claim and that of Government.

Variations between licensees claim and the one preferred by me.

Name of asset.	Amount as claimed by Accredited Representative.	Amount recommended by me for Government's acceptance.	Difference.
	Rs.	Rs.	Rs.
1. Buildings.	15,103-14--9	15,103-14--9	
2. Plant and machinery:			
(a) V.M. engine set.	14,374--4--2	6,011--3--2	8,362-12--0
(b) Blackston set.	8,071-10--8	1,681--9--4	6,390--1--4
(c) Switch Board.	4,345--1--0	4,345--1--0	-
c.o.	58,[illegible]-14--7	25,[illegible]-31--3	14,759-13-

Name of asset.	Amount as claimed by Accredited Representative.	Amount recommended by me for Government's acceptance.	Difference.
	Rs.	Rs.	Rs.
b.f.	39,894-14--7	25,142--1--3	14,752-13--4
2. Plant and machinery continued:			
(d) Cable connection.	844-12--0	844-12--0	-
(e) Automatic voltage regulator.	781-12--0	781-12--0	-
(f) Cooling plant.	1,917-11--0	1,917-11--0	-
(g) Fuel supply system.	1,545--0--0	1,240-10--0	304--6--0
(h) Crane.	1,510--0--0	1,510--0--0	-
Karkala:			
(i) Crossley set.	7,089-10-11	2,363--6-11	4,726--4--0
(j) Switch board.	767--4--3	767--4--3	-
(k) Cooling system.	935-14--7	935-14--7	-
3. Mains.	57,186--4--5	56,563--4--5	623--0--0
4 (a) Transformers 100 KVA.	1,083-12--0	1,083--1--0	0-11--0
(b) Transformers 75 "	897-12--0	897-12--0	-
5. Service connection.	1,924-14--8	1,924-14--8	-
6. Meters on hire.	4,666-13--4	4,666-13--4	-
7. Public light fittings.	1,409-15-11	1,409-15-11	-
8. Vehicles.	59--9--0	59--9--0	-
9. Furniture and instruments.	416-15--3	416-15--3	-
10. Tools and instruments.	2,235--6--0	2,235--6--0	-
11. Stock of stationery.	76-13--6	76-13--6	-
12. Intangible assets.	14,624--7--7	14,624--7--7	-
13. Stores and spares.	25,491-10-11	20,987-14--5	4,503-12--6
14. Expenses prepaid.	387--2-10	Nil	387--2-10
Grand Total.	1,65,748--8--9	1,40,450--7--1	25,298--1--8

Wherever there is difference between the Accredited Representative's figures and mine, I have given my detailed explanation below:—

Buildings:- It is noted from the inventory that there are fittings attached to the buildings. The rate of depreciation for fittings is 4.5%. There are also office buildings and power house buildings. The Accredited Representative has not adopted separately the prescribed rate of depreciation at 4.5% for fittings in the buildings (both in office and power house buildings) but has worked out an overall rate of 3% for all the buildings. The Accredited Representative has stated that he has not maintained separate accounts for each class of assets and therefore bifurcating the capital expenditure incurred on each class of assets coming under buildings was not possible. Since the lower rate for power house buildings, viz., 1.8% offsets the additional depreciation that has to be provided in respect of fittings in both office and power house buildings, viz., at 4.5%, the overall rate as worked out by the licensee, viz., 3% has been accepted, subject to Government's approval.

Plant and machinery: The Accredited Representative has bifurcated this into several categories, viz., V.M. engine set, Blackston engine set, switch board, cable connections, automatic voltage regulator, cooling plant, fuel supply system, crane, crossley set, switch board at Karkala and cooling

plant at Karkala and has adopted various rates of depreciation in conformity with schedule II to the Acquisition Act. The classification made by the Accredited Representative is generally in order; and the individual values of the component parts as given by him also seem reasonable and have been accepted. But there are no records to verify the accuracy of the values of the individual assets.

In the case of fuel supply system, the licensee has not adopted a rate strictly in conformity with schedule II to the Acquisition Act and he has since been advised that the rate of depreciation for this item should be 3% as per item c(b) of Schedule II to the Acquisition Act instead of 1.8% as adopted by him; and recalculation of depreciation has accordingly been made by me. The Accredited Representative has also agreed for the same.

V.M. engine set: The licensee has provided depreciation at 6% for this item from 1941-42 onwards and when he was addressed to state the date from which the set was brought into beneficial use, he has confirmed that the same was brought to use only from 1941-42 in his letter dated 25-4-1952. However, on a reference to the statutory inspection reports of the Inspectorate for the year 1938-39, it is seen that a bill for Rs.80/- was claimed and accepted by the licensee for the two sets of engines, 110 K.W. each. The licensee would not accept a bill unless a set is erected and is in commission and therefore I have come to the conclusion that the set was actually brought into beneficial use from the year 1938-39 and has worked out depreciation accordingly.

It was already pointed out in the audit reports that a sum of Rs.5,647--8--0 representing debenture interest was wrongly capitalised under the head "plant and machinery". The Accredited Representative has agreed for ~~fixing~~ giving necessary credit to the plant and machinery account and he has also withdrawn the sum of Rs.5,647--8--0 representing debenture interest wrongly capitalised under the item V.M.engine set from the year 1941-42 as per the instructions of this Office. As stated above depreciation on the value of engines has been calculated from 1938-39 onwards, omitting this sum of Rs.5,647-8-0.

Crossley and black stone engine sets: These assets were purchased second hand and the Accredited Representative has provided a rate of 6% depreciation only as though they were new sets. The Accredited Representative was addressed by me that since the engines were purchases second hand the rate of 6% should not be adopted and I suggested a rate of 12% and requested him to give his concurrence. He has not agreed for the same. Under the provisions of item D of Schedule II to the Acquisition Act, I have fixed the rate of depreciation for these two sets at 12% and worked out depreciation accordingly. I request Government to give necessary approval for my proposal.

Mains. The licensee has provided an overall rate of 3.6% for this item from the date of bringing into beneficial use. On a reference to the Inventory of Assets prepared by the Accredited Representative and checked by the Checking Officer, it is observed that there are overhead mains on wooden supports and underground cables. The rate of depreciation for the former according to Schedule II to Acquisition Act is 4.5% and for the latter is 2.25% when the Accredited was addressed to bifurcate the Capital Expenditure incurred under each type of mains and work out separate depreciation for each in accordance with Schedule II to the Acquisition Act, he stated that no separate account was maintained by him for each type of mains and the Capital Expenditure incurred was booked under one head namely "Mains". Therefore the Checking Officer was asked to estimate the amount of Capital Expenditure incurred under mains on wooden supports and U.G. cables and the Checking Officer has accordingly estimated the amount as Rs.6,960/- and Rs.900/- respectively. The Accredited Representative estimates the cost of cable at Rs.5,000/- which is unduly high considering the size, length of cable involved. So the Checking Officer estimate was accepted. In order to avoid only loss/by the Accredited Representative not providing the prescribed rates of depreciation for these, such an estimate of the value of the mains was made and depreciation on the same worked out accordingly. An amount of Rs.64-14-0 wrongly capitalised during the year 1948-49 was also withdrawn and the Accredited Representative has also

/to Govt.

-4-

Furniture and fittings and motor car and cycles:

These items came under the definition of section 5(3)(iv) to the Acquisition Act and hence no depreciation need be provided; but the licensee has provided a depreciation of 4.5% for furniture and fittings and 12.86% for motor car and cycles. In as much as the Accredited Representative has provided necessary depreciation, though not in conformity with the Act, I am allowing the claim as claimed by him. In this connection reference is invited to the Government U.O. P.W.D. No. 53434 I/52-1 dated 31-7-52 in the case of Narasaraopet, wherein it has been stated that "if the licensee has provided depreciation for these assets, who may allow the same as per his claim statement."

Tools and instruments: The Accredited Representative has not provided any depreciation and his claim is in conformity with Section 5(3)(iv) to the Acquisition Act. Hence, I am taking the amount as claimed by him for purposes of compensation.

Stores and Spare parts: The Accredited Representative has claimed a sum of Rs. 25,491-10-11, vide item (iii)(a) of his claim statement. This amount includes the value of excess stores found at the time of vesting to the tune of Rs. 1,500/-. The Accredited Representative was informed that there cannot be any possibility of surplus stores coming in and it can be only due to faulty accounting vide my letter No. 151 N/51-151 dated 30-7-52 (copy enclosed). The Acctedited Representative has not agreed for the same vide his letter No. U/32/ Acq. dated 11-8-52 (copy attached). In view of the reasons furnished in my letter dated 30-7-52, and since the explanation of the Accredited Representative is not convincing, I have deductedthis amount from the value of stores claimed as per para 8 of the audit report on the accounts of the undertaking upto the vesting date, sent to Government in my No. 91.A.C/52-5 dated 19-6-1952.

Under Section 5(3)(iii) to the Acquisition Act, the Checking Officer has fixed the reasonable price of used stores based on their present condition, and also intimated the items of stores short delivered with reference to the Inventory. The Accredited Representative was addressed to give his concurrence for the reasonable price fixed by the Checking Officer in accordance with Section 5(3)(iii) of the Act. The Accredited Representative has not agreed for such a deduction. I am sending a list of stores for which the Checking Officer has fixed the price as above and I have deducted the difference in amount between the Accredited Representative's figure and the Checking Officer's figure from the book value of stores and allowing only the balance of Rs. 20,988-0-5 for compensation.

Prepaid expenses: The Accredited Representative has claimed a sum of Rs. 387-2-10 under this head vide item I, IV (5). Of these, the first 3 items dom not rank for any compensation since Government are not bound to pay licence fees to the Udipi Municipality, licence fees to the Panchayat Board, Karkola and workmen's compensation Insurance premium. Item (4) represents the rent paid in advance from 1-6-51 to 31-10-51 for the lease hold land in which the power house is situated. As there is no specific provision in the Act under basis 'C' to allow this as ranking for compensation, the Accredited Representative has been addressed to prefer a claim to the Superintending Engineer, Pykara Electricity System. In view of the reasons stated above, I have not included any amount prepaid by the licensee in my claim statement.

Solatium: The Accredited Representative has claimed 20% solatium instead of 15% as per clause 13 of G.O.No. 1735 dated 24-8-1937 relating to Udipi Electric Licence 1937. Therefore only 15% solatium has been adopted.

Deductions: The following are the deductions effected bym me in the claim statement.

1) The amount already paid as advance compensation viz. Rs.91,500/- in G.O.MS.No. 3992 P.W. dated 29-9-51.

2) An amount of Rs. 35/- representing the cost of head office embosing seal not handed over under section 11 of the Act. The Accredited Representative has agreed for this deduction..

Consumers security deposits and interest thereon less the amounts due from consumers for energy supplied: The Accredited Representative has allowed a deduction of Rs. 1,661-4-0 vide item II(f) of his claim statement. The Deputy Chief Accountant (Acquisition) Coimbatore has reported that the total amount of deposits together with interest thereon is Rs. 11,100-4-11 and it is also reported by him that energy charges of Rs. ~~xx~~ 9508-15-7 are due from consumers ~~xxx~~ against which Rs. 527-3-9 is irrecoverable. Therefore, for purposes of compensation the deductions to be made under item (ii)(F) is Rs. 11,100-4-11 minus (9,508-15-7 - 527-3-9) or Rs. 2,128-9-1. This amount has been taken as the amount to be deducted under item II(f) of the claim statement.

I am not sure as to whether irrecoverable amounts due from consumers can be deducted since section 11(2)(b)(iii) refers clearly to "the amount which according to books of the licensee are due from consumers" as deductable from the total amount of security deposits. As I have been hitherto allowing this claim only to the extent up to which the energy dues have been recovered by the department, I have followed the same procedure even in this case. This point may therefore be got examined legally.

Deductions under section 10: In accordance with memo No. 39629-I/52-2 dated 31st May 1952 no deduction is recommended under section 10 of the Act.

The net amount of compensation as above viz. W.A.63545-3-2 may be declared for payment with reference to section 12(5) of the Act subject to the Superintending Engineer, Pykara Electricity System, confirming that the value of the assets of the undertaking already taken over will not be less than the total amount and that no further deductions are to be effected therefrom.

With reference to section 12(5)(c) of the Act, interest is also payable on the balance payment. This payment of interest may also be sanctioned.

Yours faithfully,

Chief Electrical Inspector 13.9.52
to Government. and Ag. Officer

vv.13.9.52.

Advance Copyto the Secretary to Government, Public Works Department, Fort St. George, Madras-9, with enclosures.
Copy to the Chief Operation Engineer (South), 157, Mount Road, Madras-2, for xxx together with the u.o. note in original.
Copy to the Chief Controller of Accounts, Madras-2.
Copy to the Superintending Engineer, Pykara Electricity System, Coimbatore, for very urgent action on the last paragraph of the letter. His reply may please be sent direct to the Chief Operation Engineer (South) with copy to this office.
Copy to the Assistant Engineer (Electrical) and Checking Officer, Government Electricity Department, Udipi.

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135

Form F.

Basis - C. Claim for compensation.

Name of the undertaking : Udipi elect. Undertaking

Ref: (a) C.O. No. 237 dated 18 -1- '51 ordering vesting.

(b) Reference to intimation of licensee's option of basis 'C'. K.O.MS.1944 d. 12/5/51

(c) Vesting date 1-6-'51.

Statement upto

Supplemental statement for the period.

Final statement upto the vesting date, viz. 31-5-'51.

Note: The book values refer to items pertaining to electricity supply work only.

I. Name of item --

(i) (a) The book value of all completed works in beneficial use partaining to the undertaking and handed over to the Government excluding works paid for by consumers. 2,21,572 -7- 8

Less (b) depreciation calculated in accordance with Schedule II to the Act. 1,19,523 -2- 4

102,049 -5- 4

(ii) The book value of all works in progress handed over to the Government, excluding works paid for by consumers or prospective consumers. nil

(iii) (a) The book value of all stores including spare parts handed over to the Government less depreciation as per statement enclosed, 251491-10-11 - (3003-12-6 + 1500/-) vide Covering letter. 20,987 -14- 5

(b) Estimated value of used stores and spare parts, subject to final agreement regarding cost, between the Government and the licensee

(iv) The book value of all other fixed assets in use on the vesting date and handed over to the Government.

1) Furniture & fittings :	Book value	889	7	3	
	Less depreciation	472	8	0	
					416 -15- 3
2) vechicles	Book value	149	1	0	
	Less depreciation	89	8	0	
					59 9 0
3) Tools and instruments					2235 6 0
					2,711-14- 3
iv (a) Stores and of stationery.					76 13 6

ment existing on the vesting date but no longer in use owing to wear and tear or to obsolescence, to the extent such value has not been written off in the books of the licensee.		nil
Preliminary expense .. 6038 10		
Engineering and development expenses. 6600 0 0		
Brokerage & commission. 2525 13 0	14,624 7 7	
vi) The book value of all intangible assets to the extent such value has not been written off in the books of the licensee.		
(vii) The amounts due from consumers in respect of every hire purchase agreement (See section 7 (2) (a) (ii) of the Act) less a sum which bears to the difference between the total amount of the instalments and the original cost of the materials or equipment, the same proportion as the amount due bears to the total amount of the instalment.		nil
(viii) Any amount paid actually by the licensee in respect of every contract (See section 7 (2) (a) (iii) of the Act) and the value of the corresponding assets have not been included in (i), (ii), (iii) or (iv).		nil
(ix) Solatium .--	15,714 2 10	
(a) On items (i) & (iv) above at 15%		
(b) On item (ii) above at 10% Rs.	nil	
(c) On item (iii) above at 5%		
Total solatium	1,040 - 6- 4	
Total compensation payable (Sum total of item (i) to (ix) above)	1,6763 9 2	
	157214 -0 - 3	

II. DEDUCTIONS-

a) Amount already paid in advance by way of compensation	91,500 0 0
b) Amount of loss to the Government on account of non-bonafide transactions (See section 10 of the Act) as estimated by the undertaking.	nil
c) Amount of loss to the Government on account of any property or rights belonging to the undertaking not having been handed over to the Government, as estimated by the undertaking - Head office embassey seal not handed over.	35 0 0
d) The amount of all loans due from the licensee to the Government and arrears of interest, if any, thereon.	nil
e) A portion of the amount of solatium bearing the same proportion to the total amount of solatium, as the amount of all loans due to the Government from the licensee on the vesting date bears to the aggregate of (i) the paid up share capital of the licensee, (ii) his debentures capital and (iii) the amount of all loans due to the Government as aforesaid.	nil

(f) All sums paid by consumers by way of security deposit and arrears of interest due thereon on the vesting date in so far as they have not been paid over by the licensee to the Government, Less the amounts which according to the books of the licensee are due from the consumers to the licensee for energy supplied by him before that date.

2129 9 1

(g) All advances ffom consumers and prospective consumers and all sums which have been or ought to be set aside to the credit of the consumers' constituted under the bulk supply agreement or paragraph II (1) of the Sixth Schedule to the Electricity Supply Act, in so far as such advance or sums have not been paid over by the licensee to the Government (full details to be furnished) nil

(h) All deposits made by, and all sums due to the staff transferred to the Government, on account of Provident Fund or other beneficial schemes in so far as such deposits or sums have not been paid over by the licensee to the Government, Less the amount which the Government are satisfied are due to the licensee from the members of the staff so transferred. nil

TOTAL DEDUCTION:

Total of items (a) to (h) above) 93,663 9 1

93,663 9 1

III Net amount - Item I minus Item II 63,550 7 2

157,214 @ 3 (-)93,663 9 1

Less solatium allowed at 1s.1on accorded @ Rs.35/-
Representing embossing seal not handed over which is included under furniture shown under item iv (1) of claim statement. 5 4 0

V Add interest at 3% on balance payment of compensation (to be calculated later) 63,545 3 2

C. N. Lakshmanan

For Chief Electrical Inspector to Govt.
and Acquisition Officer.

63555/1962

upto vesting date.

S.No.	Name of asset.	Book value.	Rate of depreciation	Total amount of depreciations.	Book value less depreciation..
1.	Buildings.	21,024 9 9	3%	7,920 11 0	13,103 14 9
2.	Plant and machinery.				
(a)	V.H. Engine set.	28,577 4 2	6%	22,565 12 0	6,011 8 2
(b)	Blackstone engine set.	16,815 13 8	12% (second hand)	15,134 4 4	1,681 9 4
(c)	Switch Board.	10,104 8 0	4.5%	5,759 7 0	4,345 1 0
(d)	Cable connection.	1,182 0 0	2.25%	337 4 0	844 12 0
(e)	Automatic voltage regulator..	1,818 0 0	3%	1,036 4 0	781 12 0
(f)	Cooling plant.	3,092 8 0	3%	1,174 13 0	1,917 11 0
(g)	Fuel supply system.	2,001 6 0	3%	760 12 0	1,240 10 0
(h)	Crane.	3,512 2 0	4.5%	2,002 2 0	1,510 0 0
	Karkala.				
(i)	Crossley set.	11,816 5 11	12% (secondhand)	9,452 15 0	2,363 6 11
(k)	Switch Board.	1,096 1 3	4.5%	328 13 0	767 4 3
(j)	Cooling system.	1,169 11 7	3%	233 13 0	935 14 7
3.	Mains.				
(a)	Mains on steel or concrete supports.	88,845 14 5	3.6%	35,919 1 0	52,926 13 5
(b)	Mains on wooden supports.	6,960 0 0	4.5%	3,967 1 0	2,992 15 0
(c)	W.C. Cables.	900 0 0	2.25%	256 8 0	643 8 0
4 (a)	Transformers 100 KVA.	1,547 8 0	2-4/7%	464 7 0	1,083 1 0
(b)	Transformers 75 KVA.	1,547 8 0	3.6%	649 12 0	897 12 0
5.	Service connection.	6,543 14 8	6%	4,619 0 0	1,924 14 8
6.	Meters on hire.	9,609 9 4	6%	4,942 12 0	4,666 13 4
7.	Public light fittings.	3,407 10 11	6%	1,997 11 0	1,409 15 11
		2,21,572 7 8		1,19,523 2 4	1,02,049 5 4
8.	Vehicles.	149 1 0	12.86%	89 8 0	59 9 0
9.	Furniture and fittings	889 7 3	4.5%	472 8 0	416 15 3
10.	Tools & Instruments.	2,235 6 0			
11.	Stock of stationery.	76 13 6			
12.	Intangible assets.	14,624 7 7			

b
13-5

C.N. Ramachandran
Chief Accountant
(Acquisition)

MILLING. Life 30 years.

Rate of depreciation 3%

Year.	Additions.	Withdrawals during the Year	Capital cost amount at the end of the year.	Depreciation.	Remarks.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	
1937-38	298- 6- 9		298- 6- 9	4- 6- 0	
1938-39	18,000- 5- 3		18,298-12- 0	298-12- 0	
1939-40	1,259- 2- 5		20,552-14- 5	597-11- 0	
1940-41			20,552-14- 5	616- 9- 0	
1941-42	556- 3- 2		21,109- 1- 7	624-14- 0	
1942-43			21,109- 1- 7	633- 4- 0	
1943-44	229-11-11	516- 0- 0	20,793-13- 6	633- 4- 0	
1944-45	231-12- 3		21,024- 9- 9	627- 5- 0	
1945-46			21,024- 9- 9	630-12- 0	
1946-47			21,024- 9- 9	630-12- 0	
1947-48			21,024- 9- 9	630-12- 0	
1948-49			21,024- 9- 9	630-12- 0	
1949-50			21,024- 9- 9	630-12- 0	
1950-51			21,024- 9- 9	630-12- 0	
1951-52 for 2 months.			21,024- 9- 9	105- 2- 0	
				Rs.7,920-11- 0	

/True copy/

ns. [illegible]

V.M. Engine set 6%.

Year.	Additions. Rs. A. P.	Withdrawals. Rs. A. P.	Capital cost. Rs. A. P.	Depreciation. Rs. A. P.
1938-39	34,224-12- 2		34,224-12- 2	1,026-12- 0
1939-40			34,224-12- 2	2,053- 8- 0
1940-41			34,224-12- 2	2,053- 8- 0
1941-42		5,647- 8- 0 *	28,577- 4- 2	1,714-10- 0
1942-43			28,577- 4- 2	1,714-10- 0
1943-44			28,577- 4- 2	1,714-10- 0
1944-45			28,577- 4- 2	1,714-10- 0
1945-46			28,577- 4- 2	1,714-10- 0
1946-47			28,577- 4- 2	1,714-10- 0
1947-48			28,577- 4- 2	1,714-10- 0
1948-49			28,577- 4- 2	1,714-10- 0
1949-50			28,577- 4- 2	1,714-10- 0
1950-51			28,577- 4- 2	1,714-10- 0
1951-52 (2 months)			28,577- 4- 2	285-12- 0
			Rs.	22,565-12- 0

* The sum representing debenture interest wrongly capitalised was withdrawn by the Accredited Representative as per instructions of this Office.

/TRUE COPY/

ns.12.9.[illegible]

Black stone engine set - 12% (second hand).

Year.	Additions. Rs. A. P.	With drawals.	Capital Cost. Rs. A. P.	Depreciation.
1942-43	16,815 13 8		16,815 13 8	
1943-44			16,815 13 8	
1944-45			16,815 13 8	
1945-46			16,815 13 8	Depreciation limited to 90% of the Capital Cost.
1946-47			16,815 13 8	
1947-48			16,815 13 8	
1948-49			16,815 13 8	
1949-50			16,815 13 8	
1950-51			16,815 13 8	
1951-52 (Two months)			16,815 13 8	15,134-4-4

16/15.0

THE UDIPI ELECTRIC SUPPLY CORPORATION LTD.

SWITCH BOARD. LIFE : 20 Years.

Rate of Depreciation 4.5%

Year.	Additions during the year.	Withdrawals during the year.	Capital cost at the end of the year.	Amount of depreciation.	remarks
	Rs.	Rs.	Rs.	Rs.	
1938-39.	10,104 8 0	--	10,104 8 0	227 6 0	
1939-40.			10,104 8 0	454 11 0	
1940-41.			10,104 8 0	454 11 0	
1941-42.			10,104 8 0	454 11 0	
1942-43			10,104 8 0	454 11 0	
1943-44			10,104 8 0	454 11 0	
1944-45			10,104 8 0	454 11 0	
1945-46			10,104 8 0	454 11 0	
1946-47			10,104 8 0	454 11 0	
1947-48			10,104 8 0	454 11 0	
1948-49			10,104 8 0	454 11 0	
1949-50			10,104 8 0	454 11 0	
1950-51			10,104 8 0	454 11 0	
1951-52 (2 months)			10,104 8 0	75 13 0	
				5759 7 0	

/True copy/

Rs 12/9.

THE UDIPI ELECTRIC SUPPLY CORPORATION LTD.

CABLE CONNECTIONS. LIFE: 40 years.

Rate of depreciation: 2.25%

Year.	Additions during the year.	Withdrawals during the year.	Capital cost at the end of the year.	Amount of depreciation.	remarks
	Rs.	Rs.	Rs.	Rs.	
1938-39.	1,182 0 0	--	1,182 0 0	13 5 0	
1939-40			1,182 0 0	26 10 0	
1940-41			1,182 0 0	26 10 0	
1941-42			1,182 0 0	26 10 0	
1942-43			1,182 0 0	26 10 0	
1943-44			1,182 0 0	26 10 0	
1944-45			1,182 0 0	26 10 0	
1945-46			1,182 0 0	26 10 0	
1946-47			1,182 0 0	26 10 0	
1947-48			1,182 0 0	26 10 0	
1948-49			1,182 0 0	26 10 0	
1949-50			1,182 0 0	26 10 0	
1950-51			1,182 0 0	26 10 0	
1951-52 (2 months)			1,182 0 0	4 7 0	
				337 4 0	

/True copy/

Rs. 12/9.

13/175

THE UDIPI ELECTRIC SUPPLY CORPORATION LTD.

AUTOMATIC VOLTAGE REGULATOR. LIFE: 20 years.

Rate of depreciation 4.5%

Year.	Additions during the year.	Withdrawals.	Capital cost at the end of the year	Amount of depreciation.	remarks
	Rs.	Rs.	Rs.	Rs.	
1938-39	1,818 0 0	--	1,818 0 0	40 14 0	
1939-40			1,818 0 0	81 13 0	
1940-41			1,818 0 0	81 13 0	
1941-42			1,818 0 0	81 13 0	
1942-43			1,818 0 0	81 13 0	
1943-44			1,818 0 0	81 13 0	
1944-45			1,818 0 0	81 13 0	
1945-46			1,818 0 0	81 13 0	
1946-47			1,818 0 0	81 13 0	
1947-48			1,818 0 0	81 13 0	
1948-49			1,818 0 0	81 13 0	
1949-50			1,818 0 0	81 13 0	
1950-51			1,818 0 0	81 13 0	
1951-52 (2 months			1,818 0 0	13 10 0	
				1036 4 0	

/True copy/

Rs. 12/9.

13/145

THE UDIPI ELECTRIC SUPPLY CORPORATION LTD.

COOLING PLANT.

LIFE : 30 Years.

Rate of depreciation 3%

Year.	Additions during the year.	Withdrawals.	Capital cost at the end of the year.	Amount of depreciation.	remarks.
	Rs.	Rs.	Rs.	Rs.	
1938-39	3,092 8 0	--	3,092 8 0	46 6 0	
1939-40			3,092 8 0	92 12 0	
1940-41			3,092 8 0	92 12 0	
1941-42			3,092 8 0	92 12 0	
1942-43			3,092 8 0	92 12 0	
1943-44			3,092 8 0	92 12 0	
1944-45			3,092 8 0	92 12 0	
1945-46			3,092 8 0	92 12 0	
1946-47			3,092 8 0	92 12 0	
1947-48			3,092 8 0	92 12 0	
1948-49			3,092 8 0	92 12 0	
1949-50			3,092 8 0	92 12 0	
1950-51			3,092 8 0	92 12 0	
1951-52 (2 months)			3,092 8 0	15 7 0	
				1174 13 0	

/True copy/

Rs. 12/9.

Fuel Supply System .3%.

Year.	Additions.	Withdrawals.	Capital cost.	Depreciation.
1938-39	2,001 6 0		2,001 6 0	30 0 0
1939-40	--	--	2,001 6 0	60 1 0
1940-41	--	--	2,001 6 0	60 1 0
1941-42	--	--	2,001 6 0	60 1 0
1942-43	--	--	2,001 6 0	60 1 0
1943-44	--	--	2,001 6 0	60 1 0
1944-45	--	--	2,001 6 0	60 1 0
1945-46	--	--	2,001 6 0	60 1 0
1946-47	--	--	2,001 6 0	60 1 0
1947-48	--	--	2,001 6 0	60 1 0
1948-49	--	--	2,001 6 0	60 1 0
1949-50	--	--	2,001 6 0	60 1 0
1950-51	--	--	2,001 6 0	60 1 0
1951-52 (2 months)	--	--	2,001 6 0	10 0 0
		---		760 12 0

THE UDIPI ELECTRIC SUPPLY CORPORATION LIMITED.

CRANE. LIFE : 20 years.

Rate of depreciation 4.5%

Year.	Additions during the year.	Withdrawals.	Capital cost at the end of the year.	Amount of depreciation.	remarks.
	Rs.	Rs.	Rs.	Rs.	
1938-39	3,512 2 0		3,512 2 0	79 0 0	
1939-40			3,512 2 0	~~79 0 0~~ 158 1 0	
1940-41			3,512 2 0	~~79 0 0~~ 158 1 0	
~~1941-42~~ 1941-42			3,512 2 0	158 1 0	
1942-43			3,512 2 0	158 1 0	
1943-44			3,512 2 0	158 1 0	
1944-45			3,512 2 0	158 1 0	
1945-46			3,512 2 0	158 1 0	
1946-47			3,512 2 0	158 1 0	
1947-48			3,512 2 0	158 1 0	
1948-49			3,512 2 0	158 1 0	
1949-50			3,512 2 0	158 1 0	
1950-51			3,512 2 0	158 1 0	
1951-52 (2months)			3,512 2 0	26-6-0 ~~158 1 0~~	
				2002 2 0	

/True copy/.

Rs. 12/9/49

Crossley set at Karkalan - 12% (second hand).

Year.	Additions.	Withdrawals.	Capital cost.	Depreciation.
1944-45	11,816 5 11		11,816 5 11	709 0 0
1945-46			11,816 5 11	1,417 15 6
1946-47			11,816 5 11	1,417 15 0
1947-48			11,816 5 11	1,417 15 0
1948-49			11,816 5 11	1,417 15 0
1949-50			11,816 5 11	1,417 15 0
1950-51			11,816 5 11	1,417 15 0
1951-52			11,816 5 11	236 5 0
=Two months				9,452 15 0

THE UDIPI ELECTRIC SUPPLY CORPORATION LIMITED.

SWITCH BOARD - KARKALA.

LIFE: 20 YEARS.

Rate of depreciation 4.5%

Year.	Additions during the year.	With-drawals.	Capital cost at the end of the year	Amount of depreciation.	remarks.
	Rs.	Rs.	Rs.	Rs.	
1944-45	1,096 1 3	--	1,096 1 3	24 11 0	
1945-46			1,096 1 3	49 5 0	
1946-47			1,096 1 3	49 5 0	
1947-48			1,096 1 3	49 5 0	(49-5-0)
1948-49			1,096 1 3	49 5 0	
1949-50			1,096 1 3	49 5 0	
1950-51			1,096 1 3	49 5 0	
1951-52 (2 months)			1,096 1 3	8 4 0	
				328 13 0	

/True copy/

Rs. 12;9

19/7

THE UDIPI ELECTRIC SUPPLY CORPORATION LTD.

COOLING SYSTEM - KARKALA. LIFE: 30 Years.

Rate of depreciation 3%.

Year.	Additions during the year.	Withdrawals.	Capital cost at the end of the year.	Amount of depreciation.	remarks
	Rs.	Rs.	Rs.	Rs.	
1944-45.	1,169 11 7	--	1,169 11 7	17 9 0	
1945-46			1,169 11 7	35 1 0	
1946-47			1,169 11 7	35 1 0	
1947-48			1,169 11 7	35 1 0	
1948-49			1,169 11 7	35 1 0	
1949-50			1,169 11 7	35 1 0	
1950-51			1,169 11 7	35 1 0	
1951-52 (2months)			1,169 11 7	5 14 0	
				233 13 0	

/True copy/

Rs. 12/9.

Mains on concrete supports @ 3.6%

Year.	Additions.	Withdrawals.	Capital cost.	Depreciation.
1937-38	13 5 0	--	13 5 0	0-4-0
1938-39	41,266 1 0	--	41,279 6 0	743 4 0
1939-40	23,849 5 10	--	65,128 11 10	1,915 6 0
1940-41	16,825 4 5	--	81,954 0 3	2,647 9 0
1941-42	972 2 11	--	82,926 3 2	2,967 14 0
1942-43	8 8 3	--	82,934 11 5	2,985 8 0
1943-44	--	1,594 15 8	81,339 11 9	2,928 4 0
1944-45	--	--	81,339 11 9	2,928 4 0
1945-46	--	123 3 8	81,216 8 1	2,923 13 0
1946-47	2,160 7 0	--	83,376 15 1	2,962 11 0
1947-48	1,103 6 8	435 6 2	84,044 15 7	3,005 12 0
1948-49	2,425 7 3	40 7 3	86,429 15 7	3,067 13 0
1949-50	1,523 6 3	85 10 3 64 14 0	87,802 13 7	3,133 8 0
1950-51	1,334 12 4	245 3 6	88,892 6 5	3,176 2 0
1951-52 (2 months)	--	46 8 0	88,845 14 5	533 1 0
				35,919 1 0

MAINS OF WOODEN SUPPORTS AT 4.5%

Year.	Additions.	Withdrawals.	Capital cost.	Depreciation.
1938-39	Rs. 6,960/-	--	Rs. 6,960/-	Rs. 156 10 0
1939-40			6,960/-	313 3 0
1940-41			6,960/-	313 3 0
1941-42			6,960/-	313 3 0
1942-43			6,960/-	313 3 0
1943-44			6,960/-	313 3 0
1944-45			6,960/-	313 3 0
1945-46			6,960/-	313 3 0
1946-47			6,960/-	313 3 0
1947-48			6,960/-	313 3 0
1948-49			6,960/-	313 3 0
1949-50			6,960/-	313 3 0
1950-51			6,960/-	313 3 0
1951-52.			6,960/-	52 3 0
				3,967 1 0

Underground Cables. - 2.25%

Year.	Additions.	Withdrawals.	Capital cost.	Depreciation.
1938-39	Rs. 900/-	--	Rs. 900/-	Rs. 10 2 0
1939-40			900/-	20 4 0
1940-41			900/-	20 4 0
1941-42			900/-	20 4 0
1942-43			900/-	20 4 0
1943-44			900/-	20 4 0
1944-45			900/-	20 4 0
1945-46			900/-	20 4 0
1946-47			900/-	20 4 0
1947-48			900/-	20 4 0
1948-49			900/-	20 4 0
1949-50			900/-	20 4 0
1950-51			900/-	20 4 0
1951-52	(Two months)		900/-	3 6 0
				256 8 0

125

Transformer at Udipi - 100 K.V.A. 2.4/7⅝.

Year.	Additions. Rs. A. P.	Withdrawals.	Capital Cost. Rs. A. P.	Depreciation. Rs. A. P.
1939-40	1,547 8 0		1,547 8 0	19-14-0
1940-41			1,547 8 0	39 13 0
1941-42			1,547 8 0	39 13 0
1942-43			1,547 8 0	39 13 0
1943-44			1,547 8 0	39 13 0
1944-45			1,547 8 0	39 13 0
1945-46			1,547 8 0	39-13 0
1946-47			1,547 8 0	39 13 0
1947-48			1,547 8 0	39 13 0
1948-49			1,547 8 0	39 13 0
1949-50			1,547 8 0	39 13 0
1950-51			1,547 8 0	39 13 0
1951-52 (Two months)			1,547 8 0	6 10 0
				464 7 0

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THE UDIPI ELECTRIC SUPPLY CORPORATION LIMITED.

TRANSFORMER AT MANIPAL 75 K.V.A. Life 25 Years.

Rate of depreciation 3.6%

Year.	Additions during the year.	With-drawals.	Capital cost at the end of the year.	Amount of depreciation.	remarks.
	Rs.	Rs.	Rs.	Rs.	
1939-40	1,547 8 0	--	1,547 8 0	27 14 0	
1940-41			1,547 8 0	55 11 0	
1941-42			1,547 8 0	55 11 0	
1942-43			1,547 8 0	55 11 0	
1943-44			1,547 8 0	55 11 0	
1944-45			1,547 8 0	55 11 0	
1945-46			1,547 8 0	55 11 0	
1946-47			1,547 8 0	55 11 0	
1947-48			1,547 8 0	55 11 0	
1948-49			1,547 8 0	55 11 0	
1949-50			1,547 8 0	55 11 0	
1950-51			1,547 8 0	55 11 0	
1951-52 (Two months)			1,547 8 0	9 5 0	
				649 12 0	

/True copy/

Rs. 12/9.

THE UDIPI ELECTRIC SUPPLY CORPORATION LIMITED.

SERVICE CONNECTIONS. LIFE 15 Years.

Rate of depreciation 6%

Year.	Additions during the year.	With-drawals.	Capital cost at the end of the year.	Amount of depreciation.	remarks.
	Rs.	Rs.	Rs.	Rs.	
1938-39.	2,225 9 9	--	2,225 9 9	66 12 0	
1939-40.	1,750 5 1	--	3,975 14 10	186 1 0	
1940-41.	1,829 2 2	--	5,805 1 0	293 7 0	
1941-42.	523 4 4	--	6,328 5 4	364 0 0	
1942-43.	152 6 3	337 7 8	6,143 3 11	379 11 0	
1943-44	--	99 0 4	6,044 3 7	368 10 0	
1944-45	103 5 6	--	6,147 9 1	365 13 0	
1945-46	629 13 5	559 0 7	6,218 5 11	371 0 0	
1946-47	902 15 1	--	7,121 5 0	400 3 0	
1947-48	673 0 5	--	7,794 5 5	447 7 0	
1948-49	--	786 1 3	7,008 4 2	467 10 0	
1949-50	195 7 3	179 7 7	7,024 3 10	421 0 0	
1950-51	181 9 10	615 8 3	6,590 5 5	421 87 0	
1951-52 (2 months)	3 6 8	49 13 5	6,543 14 8	65 15 0	
				4619 0 0	

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Rs. 12/9, 19/145

THE UDIPI ELECTRIC SUPPLY CORPORATION LIMITED.

M E T E R S. Life 15 years.

Rate of depreciation 6%

Year.	Additions during the year.	Withdrawals.	Capital cost at the end of the year.	Amount of depreciation.	Remarks.
	Rs. A P.	Rs. A.P.	Rs. A. P.	Rs. A. P.	
1938-39	1,844-14- 4		1,844-14- 4	55- 6- 0	
1939-40	1,030- 3-11		2,375- 2- 3	141-11- 0	
1940-41	2,088- 3- 6		4,963- 5- 9	235- 3- 0	
1941-42	228-12- 5		5,192- 2- 2	304-11- 0	
1942-43	556- 4- 0		5,748- 6- 2	328- 3- 0	
1943-44	237- 3- 0		5,985- 9- 2	352- 0- 0	
1944-45	619- 4- 0		6,604-13- 2	377-11- 0	
1945-46	139-11- 8		6,744- 8-10	400- 8- 0	
1946-47	1,026- 1- 8		7,770-10- 6	435- 8- 0	
1947-48	1,317- 7- 7		~~9,608-2-1~~ 9078-2-1.	~~505-12- 0~~ 560-15- 0	
1948-49	520-10- 8		9,608-12- 9	560-15- 0	
1949-50	1,352- 1- 3	1,405- 0- 3	9,555-13- 9	576- 8- 0	
1950-51	1,387- 3- 2	1,478-12- 5	9,464- 4- 6	573- 6- 0	
1951-52 (2 months)	333- 0- 6	187-11- 8	9,609- 9- 4	95- 6- 0	
				Rs. 4,942-12- 0	

/True copy/

12/1979

THE UDIPI ELECTRIC SUPPLY CORPORATION LTD.

Public Light Fittings.

Life 15 years

Rate of depreciation 6%

Year.	Additions during the year.	Withdrawals	Capital cost at the end of the year.	Amount of Depreciation.	REMARKS
			Rs as ps	Rs as ps	
1938 - 39	Rs.2,059-14-4		2,059-14- 4	61-13- 0	
1939 - 40	23-11-0		2,083- 9- 4	124- 5- 0	
1940 - 41			2,083 9 4	125 0 0	
1941 - 42			2,083 9 4	125 0 0	
1942 - 43			2,083 9 4	125 0 0	
1943 - 44		71-3- 6	2,012 5 10	125 0 0	
1944 - 45			2,012 5 10	120 12 0	
1945 - 46	1,052- 5- 7		3,064 11 5	152 5 0	
1946 - 47	263 15 4		3,328 10 9	191 13 0	
1947 - 48	46 6 0		3,375 0 9	201 2 0	
1948 - 49	17 12 6		3,392 13 3	203 1 0	
1949 - 50	14 13 8		3,407 10 11	204 0 0	
1950 - 51			3,407 10 11	204 7 0	
1951 - 52 (2 months)			3,407 10 11	34 1 0	
				1,997 11 0	

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10/145

THE UDIPI ELECTRIC SUPPLY CORPORATION Ltd.,

Vehicles.

Life 7 years

Rate of depreciation

12.86%

Year	Additions during the year.	Withdrawals	Capital cost at the end of the year.	Amount of depreciation.	Remarks.
1946 - 47	Rs.149-1-0		Rs. 149- 1- 0	9 - 9- 0	
1947 - 48			149- 1- 0	19 3 0	
1948 - 49			149 1 0	19 3 0	
1949 - 50			149 1 0	19 3 0	
1950 - 51			149 1 0	19 3 0	
1951 - 52 (2 months)			149 1 0	3 3 0	
				Rs. 89 8 0	

(True copy)

10/149

THE UDIPI ELECTRIC SUPPLY CORPORATION LIMITED

Furniture & Fittings.

Life 20 years
Rate of depreciation
4.5%

Year	Additions during the year.	Withdrawals	Capital cost at the end of the year.	Amount of depreciation	Remarks.
			Rs A P	Rs A P	
1937- 38	58 9 6		58 - 9- 6	1 - 5- 0	
1938 - 39	513 10 11		572 4 5	14 3 0	
1939 - 40	73 8 11		645 13 4	27 6 0	
1940 - 41	201 4 5		847 1 9	33 9 0	
1941 - 42	7 5 6		854 7 3	38 5 0	
1942 - 43	- - -		854 7 3	38 7 0	
1943 - 44	- - -		854 7 3	38 7 0	
1944 - 45	7 0 0		861 7 3	38 9 0	
1945 - 46			861 7 3	38 12 0	
1946 - 47			861 7 3	38 12 0	
1947 - 48			861 7 3	38 12 0	
1948 - 49	28- 0- 0		889 7 3	39 6 0	
1949 - 50			889 7 3	40 0 0	
1950 - 51			889 7 3	40 0 0	
1951 - 52			889 7 3	6 11 0	
				472 8 0	

(True copy)

C. N. Sankaranarayanan
Chief Accountant
(Acquisition)

TATIVE HAS NOT AGREED.

Sl. No. in the list.	Particulars.	Quantity.	Condition.	Price as given by the Company.	Reasonable price / that can be offered as per Checking Officer's estimation.	Difference.
52	G.I.Stay wire stranded	99½lbs.	Rusted	Rs.Rx 29-8-0	Rs.10-0-0	Rs.19-8-0
56	G.I.wire No.8	13½ "	Scrap in bits.	" 10-4-5	" 4-0-0	" 6-4-5
63	Stay rod 6'	3 Nos.	Second hand rods only	" 69-0-0	" 12-0-0	" 57-0-0
75	Water tight switches. 10 amps. old.	2 Nos.	Unserviceable.	" 1-12-6	" Nil	" 1-12-6
118	V.I.R.Cable 7/20 S.C.	46Yards	Scrap	" 23-0-0	" 6-0-0	" 17-0-0
120	Double pole switch	1 No.	Damaged unserviceable	" 21-6-0	" Nil	" 21-6-0
127	Cement in solid condition	125 lbs.	solid unserviceable.	" 5-13-3	" Nil	" 5-13-3
145	Empty barrels	243 Nos.	110 good rest leaky	2,283-0-10	1,350-0-0	933-0-10
						Rs 1061-13-0

The actual quantity of stores taken over in the following cases is less than that indicated in the claim statement(in inventory)

Sl. No.	Particulars.	Quantity as shown in claim statt.	Quantity taken over.	Price claimed.	Reasonable price that can be offered.	Difference.
84	Section fuses aerial nut type 60 amps.	23 Nos.	20 Nos.	Rs.75-2-6	Rs.63-0-0	Rs.10-9-6
148	Stay wire.	3824	3664	Rs160-1-1	Rs.1,540-0-0	Rs. 65-1-1
						Rs. 75-10-7

Stores at Karkala not in good condition.

Sl. No.	Description.	Quantity	Condition.	Price given by the Company.	Most reasonable price.	Difference.
24	W.I.R.1/18S.C.	252 yds.	Scrap unserviceable	Rs.57-12-7	Rs.5-0-0	Rs.52-12-7
41	W.D.T.C.3/20	20 feet	Scrap	" 5-0-0	Nil	" 5-0-0
						" 57-12-7

Used 25 K.V.A. transformer.

Description.	Price given by Company.	Depreciation for one year @3.6%for half the addition.	Reasonable price.	Difference.
25 K.V.A.	Rs.2,883-0-10	Rs.51-14-4	Rs.2,831-2-6	Rs.51-14-4

Description.	Price as given by Accredited Representative.	Price fixed by Checking Officer.	Difference.
Spare parts to V.M. Engine set.	Rs.3,256-10-0	Rs.1,500-0-0	Rs.1,756-10-0

Head office embossing seal not handed over for which deduction under ~~section 11 of the Act.~~ of actual cost is made Rs.35-0-0

Grand total to be deducted from

Copy of letter No.151 N/51-15 dated 30-7-52 from the Chief Electrical Inspector to Government, 157, Mount Road, Madras-2, to the Accredited Representative, M/s. Udipi Electric Supply Corporation Limited, 99-A, Armenian Street, Madras-1.

***

Sub: Udipi Electrical Undertaking - Taken over by Government - Payment of compensation - Remarks on the audit report for 1950-51 and upto the vesting date.

Ref: Your letter No. V/23/Acq. 19-7-52.

***

Capitalisation of debenture interest:

With reference to para (1), you have agreed for the deduction of Rs. 5,647-8-0, from the capital account from the value of V.M. engine set costing Rs. 34,224-12-2.

It is seen from the records that the amount of debenture interest capitalised during 1943-44, is Rs. 3,360/- vide G.O.Ms.No. 609 dated 7-3-45 and during 1944-45 a sum of Rs. 2,287-8-0 was capitalised vide letter Dated 6-3-46 from M/s. Sastri & Shaw. These amounts therefore, will be given credit to in the respective years in which they were capitalised and depreciation on the same will be worked out accordingly for purposes of compensation.

~~Annexing~~ Stores: Item (iii)(b) of form F reads as under:-

"(iii)(b) estimated value of used stores including spare parts subject to final agreement regarding cost between Government and the licensee."

According to the above, it means that the licensee is eligible for any amount as compensation only if they have been retrieved from works and retrieved value of such items brought in the stores ledger and corresponding credit to capital is also given.

In the present case, however, the stores are found ~~xxin~~ in excess at the time of handing over. Such excess can arise only when materials ~~xxx xxxxx~~ for capital works are issued and debited to the respective heads and the return of surplus mateirals is often neglected to be credited to the particular account and brought in the stores ledger (stores account being debited). The same is ~~xx~~ the case with those of replaced mateirals. Apart from it, there is also no possibility of the director, Manager or Managing director ~~xx~~ bringing and putting things into stores. So, if there is any surplus at the time of vesting, it can only be due to any of the factors mentioned above and so I am of the view that no amount is to be paid for such assets found in excess.

If you are still of the view that you are entitled for payment of compensation on the surplus stock, I request you to furnish your detailed explanation to the Checking Officer with the necessary records in support thereof as to how (unless there has been incorrect or improper accounting of stores as explained above) there could be surplus stores to ~~xx~~ the extent of Rs. 1,500/-. Unless satisfactory proofs are produced. I am not admitting this item as ranking for any compensation.

(True Copy)

C. V. Lakshmanan

Chief Accountant. (Acquisition

vv.13.9.52.

13.1

Copy of letter No. U/32-Acq. dated 11-8-52 from the Udipi Electric Supply Corporation Limited, Madras, to the Chief Electrical Inspector to Government, 157, Mount Road, Madras-2.

***

Sub: Udipi Electrical Undertaking - Taken over by Government - Payment of compensation - Remarks on the audit report for 1950-51 and upto the vesting date.

Ref: Your letter No. 151-N/51-151 dated 30-7-52.

***

Capitalisation of Debenture interest: The value of V.M. engine set is Rs. 34,224-12-2 as was furnished by us, which includes the sum of Rs. 5,647-8-0. Since we have agreed for the deduction of this sum of Rs. 5,647-8-0 from the capital account, the value of V.M. engine set after ~~the~~ deducting this amount will be only Rs. 28,577-4-2. On this amount of Rs. 28,577-4-2, depreciation has to be calculated. We are sending you a fresh depreciation statement in quadruplicate for your ready reference.

Stores: We cannot wholly subscribe to your views that excess in stores can arise only "when materials for capital works are issued and debited to the respective ~~capital~~ ~~marksxxxx~~ heads and the return of surplus materials is often neglected to be credited to the particular account". Excess materials in stock can also arise in the following circumstances:

1) Purchase of spare parts of machinery and other maintenance materials and directly debiting their values to operating accounts; though in fact some of the materials purchase would not have been actually issued at all.

2) Materials issued and their values debited in the first instance to operating accounts but subsequently retrieved without a corresponding credit to the respective operating accounts.

Due to the reasons mentioned above, the stores would come under the definition of "used stores and spare parts" and would rank for payment of compensation as per section 5(3)(iii) of the Madras Electricity Supply Undertakings (Acquisition) act 1949.

We shall ~~xx~~ therefore thank you to value the excess stores handed over to Government as provided in the Acquisition Act and send us your valuation for our acceptance. Hence we do not agree for the disallowance of Rs. 1,500/- from the compensation payable to us.

(True Copy)

T. N. Ranchmanan

Chief Accountant.

(Acquisition)

vv.13.9.52.

13.9

P.W.(I.3)

Extract from Endt. No.258-C/51-35 dated the 16th Septr.'52 from the C.D.E.(S)

Blackstone set and Crossley set:- The rate of 6% depreciation adopted by the Accredited Representative is applicable only to assets purchased new. As the engine sets under reference are reported to be purchased second-hand, it will not be in order to adopt 6% for them. A rate has to be fixed by Government under item (2) of Schedule II to the Acquisition Act, such rate being determined having regard to the nature, conditions etc. of the asset. In this case, the Chief Electrical Inspector to Government has recommended a 12% rate taking these factors into account. I agree to the adoption of this rate and request that Government may be pleased to issue orders approving this rate of depreciation for the particular assets in this case.

True extract

24/9/52

P.W.(I.3)

G.O.Ms.No. 3983 dated 25.9.52

Electricity - Madras Elecy. Supply Undertakings (Acquisition) Act, 1949 - Udipi company electrical undertaking - Acquisition by Govt. - Blackstone and Crossley engine sets - Rate of depreciation - fixed.

Read: From the C.E.I.G., No.151 N/51-171 dt. 12-9-52
From the C.O.E.(S), No.258-C/51-135 dt. 16.9.52.

Under item D of the Table under Schedule II to the Madras Electricity Supply Undertakings (Acquisition) Act, 1949 (Madras Act XLIII of 1949), the Governor of Madras hereby determines that in respect of the second-hand Blackstone and Crossley engine sets ~~acquired by the Govt. from~~ belonging to the Udipi Company acquired by the Govt. Electrical Undertaking, the period of life for the purpose of depreciation ~~by Govt~~ shall be 7½ (seven and a/half) ~~per mensem~~ years and the rate of depreciation thereof ~~shall~~ being 12 per cent. per annum.

To the C.E.I.G.
" C.O.E.(S)

Copy to Authorised representative, Udipi Electric Supply Co., 89/A. Armenian St., Madras.

(Sc.2)

K. V. SUBBA RAO, B.Sc. (Eng.), AMIEE., AMIE, : *Accredited Representative.*

The Udipi Electric Supply Corporation Ltd.

MANAGING AGENTS
THE MECHELEC ENGINEERING CO., LTD.

TELE { Grams: "MECHELEC"
Phone No. 3006

Head Office:
99/2, ARMENIAN ST., G. T., MADRAS.

90195

Station Madras - 1,

Dated 28th October 1952.

ASSISTANT
28 OCT 1952
PUBLIC

Ref. No. U/54 /Acq.

REGISTERED ACK.DUE.

The Secretary to Government,
Public Works Department,
Government of Madras,
Fort St.George, Madras.

Dear Sir:

Sub: Udipi Electrical Undertaking - Acquisition by Government - Blackstone and Crossley Engine sets - Rates of depreciation fixed by Government.

Ref: Your G.O.Ms.No.3983 dated 25th Septr.'52.

P&G (C)

We are in due receipt of your above communication and in reply have to inform you that I do not agree with the periods of life fixed for the Blackstone and Crossley engine sets. These sets were taken over in the year 1951 and according to the life fixed, the period of life would have been finished by the date of acquisition, and it would be absurd when the sets are working at the time they were handed over and the Act envisages that with due regard to the working of the sets, suitable life should be fixed. I have to submit that the period of life of 7½ years fixed is not at all justifiable and this would tantamount to the Government taking the sets at practically zero value, paying only 10%. These sets were all bought during the war when no new machinery was available in India and every station had to be maintained under the terms of the licence and secondhand sets were available in India at a price much higher than the price of first-hand sets of today and these had to be bought and maintenance costs have been incurred

-2-

by us every year to keep these sets in good condition and maintain supply. The very fact that we have maintained continuous supply throughout the war without shut-downs in this Company proves beyond doubt, that the licensee has taken all precautions and also maintained the sets, so that they are in good condition every time. As such, it is most unjustifiable in an acquisition proceedings, to simply take away a set at 10% of its value, by depreciating it, ~~simply because discretion has been given to an officer of the Government~~. The discretion may kindly be exercised in a justifiable manner. I therefore, strongly protest and report that I do not agree with the periods of life fixed by Government for these two sets.

Yours faithfully,

(K. V. SUBBA RAO)
ACCREDITED REPRESENTATIVE for
THE UDIPI ELECTRIC SUPPLY CORPORATION LTD.

KVS:ABK.

PWD (I/3)
Endt no. 90495/52-153 -10-52
Referred to the C&IG. for very early remarks through the C&E (I).

To the C&IG. 31.10.52
The C&E (I) 31.10.52

ELECTRICITY DEPARTMENT.

From

Sri. K. Thomas Kuriyan, A.M.I.E.E., (Lond.,)., A.M.I.E., (India).,
Chief Electrical Inspector to Government,
157, Mount Road, M a d r a s - 2.

To

99134

The Secretary to Government, ✓
Public Works Department,
Fort St. George, Madras - 9.

Through: The Chief Operation Engineer (South).,
157, Mount Road, Madras - 2.

No. 151-N/51-185 dated 7.11.1952.

Sir,

Sub :: UDIPI Electrical Undertaking - Taken over by Government - Blackstone and Crossley Engine Sets - Rates of Depreciation fixed by Government --

Ref :: Government Endorsement No. 90495 I/52-1 dated 31.10.1952.

--

The two engine sets referred to in the Accredited Representative's letter viz. Blackstone and Crossley, have been in service in this Undertaking since 1942 and 1943 respectively, as per Checking Officer's report, and had they been new engines they would have had a further lease/life of ~~only~~ 6 and 7 more years only. The Accredited Representative admits these were old when purchased by the erstwhile Licensee, but does not furnish the exact period of their service with the previous owner or owners. Generally, it does not seem quite easy to ascertain the exact period of service of such second hand sets with the several owners, and in view of this and taking into account the damages that can occur due to transport and re-rection at other locations, it is considered justifiably necessary to depreciate them at double the rate for new engines. This has been generally/in the /applied case of all second hand "plant and machinery". The fact that the two engine sets are still in working condition does not alter the above position, as may been seen from the fact that the life of the assets prescribed in schedule II to the Act is not based upon the assumption that the assets became scrap at the end of the period, but that the assets' continued utility after the prescribed period cannot be ensured normally and so they should be depreciated to the fullest extent by such prescribed period. The orders fixing the life of the asset (engine sets) @ 7½ years do not require any revision. The Accredited Representative may be informed by Government accordingly.

Yours faithfully,

K. Thomas Kuriyan

Chief Electrical ~~Inspector~~ to Govt

7/11/52

Copy to the Chief Operation Engineer (South), Madras - 2.

Rs. 7/11.

P.T.O.

Office of the Chief Operation
Engineer (South), 157, Mount Road, Madras.

Endt.No.258C/51-44 dated 14-11-52.

Ref:- C.E.I.G's letter No.151N/51-185 dated 7-11-52.

Forwarded/to the Secretary to Government, Public Works Department, Madras.

2. I endorse the remarks of the Chief Electrical Inspector to Government, Madras.

M.Subramanyam

VAG.15/11. FOR CHIEF OPERATION ENGINEER (SOUTH)
To the Secretary to Government, Public Works Department, Madras.

Letter No. 90495-2/52-3 Dated 5-1-53

To

Sri K.V. Subba Rao, B.Sc. (Eng.), A.M.I.E.E., A.M.I.E
Accredited Representative,
The Udipi Electric Supply Corporation Ltd.,
Madras 1.

Sir,

Sub: Electricity - Udipi electrical undertaking - Acquisition by Govt. - Blackstone & Crossley engine sets - Rates of depreciation.

Ref: Your letter No.U/54/Acq dated 28.10.52.

The Government ~~have no reason~~ regret their inability to reconsider their orders already issued ~~by them~~ in G.O.Ms.No.3983 P.W. dated 25.9.52.

Y.F.

SUB: Electricity - Madras Electricity Supply Undertakings (Acquisition) Act, 1949 - Udipi undertaking - Acquisition by Govt. - Period of life of certain assets.

Ref: From the C.E.I.G. No.151-N/51-171 dt. 12-9-52
" C.O.E.(S) No.258-C/51-135 dt. 16-9-52.

The Udipi electrical undertaking vested in the Govt. on 1.6.51 under the provisions of the Acquisition Act. Compensation for the undertaking is payable under Basis 'C', i.e. book value of the assets less depreciation plus solatium. Depreciation on the assets will be calculated in accordance with Schedule II to the Act. Under item 'D' of the table appended to Schedule II, it is open to the Govt. to fix the life of assets purchased second hand (and assets not otherwise provided for in that table), for purposes of depreciation at such number of years as they consider reasonable, having regard to the nature, age and condition of the assets at the time of their acquisition by the Govt.

2. The C.E.I.G. and the C.O.E.(N) have submitted ~~the necessary~~ proposals for the determination of final compensation payable for the Udipi undertaking with reference to sec. 12(5)(a) of the Acquisition Act. These proposals are dealt with in a separate file and orders thereon should be issued on or before 28-9-52. In determining the final compensation for the Udipi undertaking, compensation payable for the following two engine sets also has to be assessed after providing for necessary depreciation thereon:-

		Book value:
(i)	Blackstone engine set ..	Rs. 16,815-13--8
(ii)	Crossley engine set ..	" 11,816--5-11

The accredited representative of the Udipi licensee company has calculated depreciation at the rate of 6% on the two engine sets referred to above and has claimed the balance as compensation payable for them. The C.E.I.G. Has stated that the above engine sets

were purchased second-hand and that the accredited representative has calculated depreciation at 6% ~~as~~ which is the rate prescribed in Sch II to the Requisn Act for new diesel engines. ~~though they were new ones.~~ He, therefore, suggested to the accredited representative to agree to the adoption of a rate of 12% for purposes of calculation of depreciation on the sets since they were purchased second-hand, but the accredited representative has not agreed to the suggestion. He has further stated that he has fixed the rate of depreciation for these two sets at 12% and has worked out depreciation accordingly for purposes of assessment of compensation. He has asked for the approval of the Govt. to the fixation of the above rate. The C.O.E.(S) has agreed with the C.E.I.G. and has added that the rate of 6% adopted by the accredited representative in question is applicable only to assets purchased new and that it would not be in order to adopt this rate in respect of engine sets which were purchased second hand. He has, therefore, agreed to the adoption of the rate of 12% proposed by the C.E.I.G. in respect of the two sets, having regard to their condition etc. He has suggested that with reference to the statutory provision at K overleaf, the Govt. may issue orders approving the rate of depreciation of 12% for the two engine sets. The proposal of the C.O.E.(S) may be accepted. (In anticipation of the approval of this proposal, the rate of 12% has been taken into account in determining the compensation payable for these assets in the file referred to at M overleaf).

3. A draft order is submitted for approval. ~~It may be sent to Finance for acceptance. They may be requested to treat this case as Special~~ Finance may see after issue (as orders in this case have to be issued ~~on or before 28.9.52~~ before orders are issued in the file referred to at M overleaf)

ADDITIONAL DEPUTY SECRETARY TO GOVERNMENT 3205-2 3 OCT 1952 FINANCE DEPARTMENT

24/9/52

24.9.52

Fin (PWR)

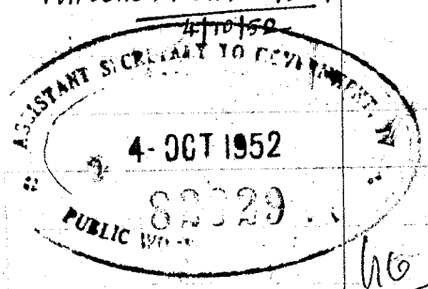
Notes on pp 1-2 above and the G.O on page 7 of may be perused.

PW 4.10.52 P.WD

4.X.52

Fin UONO 72052 PWR|52-1

4/10/52



PWD(I3)

Please see the note of Finance. The file may be closed.

HG 4/10/52

4.10.52

PB 6/10/52

Sub: Elecy. - Udipi electrical undertaking - Acquisition by Govt. - Blackstone & Crossley engine sets - Rates of depreciation.

Ref: From the Accredited Representative, Udipi Electric Supply Corporation, No.U/54/Acq. dated 28.10.52.
From the C.E.I.G., No.151 N/51-185 d. 7.11.52
From the C.O.E.(S), No.258 C/51-44 d.14.11.52

The file relates to the non-acceptance by the accredited representative of the Udipi licensee co. of the period of life fixed by the Govt. for purposes of depreciation in respect of the secondhand Blackstone and Crossley engine sets belonging to the Udipi Co. electrical undertaking which was acquired by the Govt. under the provisions of the Acquisition Act on 1.6.51.

2. In G.O.Ms.3985 dated 25.9.52, the Govt. issued orders under Sec.12(5)(a) of the Acquisition Act declaring the final compensation payable for the Udipi electrical undertaking. In determining the final compensation payable for the undertaking, the amount of compensation payable for the following two ~~kinds of~~ second-hand diesel engine sets had also to be assessed after providing for necessary depreciation ~~thereon~~ in accordance with the provisions of the Act:

(1) Blackstone Engine Set
(2) Crossley Engine set.

In the statement of claim for compensation for the undertaking, the accredited representative of the Udipi licensee Co. calculated depreciation at a rate of 6% on the two engine sets referred to above and claimed the balance of compensation payable for these assets as indicated below:

	Book Value.	Amount of depreciation at 6%.	Balance of compensation claimed.
(1) Blackstone Engine set	16815-13- 8	8744- 3-0	8071-10- 8
(2) Crossley engine set	11816- 5-11	4726-11-0	7089-10-11
Total compensation claimed			15161- 5- 7

While submitting proposals for the payment of final compensation for the Udipi undertaking, the C.E.I.G. stated that the two sets of engines referred to above were

purchased by the ex-Udipi licensee secondhand and that the rate of depreciation of 6% adopted by the accredited representative in respect of the engines was not correct as this is the rate prescribed in Schedule II to the Acquisition Act in respect of new engine sets. The C.E.I.G. and the C.O.E.(S) therefore recommended that a rate of 12% might be adopted for purposes of depreciation in respect of the secondhand engine sets in question and that this rate may be approved by the Govt under item 'D' of the Table appended to Schedule II to the Acquisition Act which empowers the Govt. to fix the life of assets purchased secondhand. Orders were accordingly issued in G.O.Ms.No.3983 P.W. dated 25.9.52 that the period of life of the engines shall be as 7½ years, the rate of depreciation thereof being 12%. The compensation payable for the engine sets in question on this basis works out as follows:

	Book Value	Depreciation at 12 per cent	Balance of compensation
Blackstone set	16,815-13- 8	15,134- 4- 4	1,681- 9- 4
Crossley set	11,816- 5-11	(depreciation limited to 90% of the cost of the asset) 9,452-15- 0	2,363- 6-11
Total compensation allowed:			4,045- 0- 3

The sum of Rs.4,045-0-3 as arrived at above (together with solatium thereon) was accordingly included as compensation for the engine sets in question in the total amount of final compensation declared as payable for the Udipi Undertaking. It will be seen that as the compensation claimed by the accredited representative for these two engine sets was Rs.15,161-5-7, there is a difference of a sum of Rs.11,116-5-4 between the accredited representative's claim and the final compensation for these engine sets as determined by the Govt.

3. The accredited representative has now represented against the period of life fixed by the Govt. for the engine sets in question. He has stated that according to the rate of depreciation prescribed by the Govt., viz.12%, the period of life of these engines would have

expired by the date of acquisition of the undertaking in 1951, whereas the engines were still working at the time of acquisition. He has further stated that the period of life of 7½ years fixed by the Govt. is not at all justifiable and that this only amounts to the Govt. taking away the sets at practically zero value, paying only about 10% of the cost thereof. He has added that these sets were bought during the war when no new machinery was available in India, at a cost higher than the present day cost of new machinery and that the sets have been maintained by the licensee in good condition throughout and that there was no breakdown of supply of energy at any time. In the circumstances, the accredited representative has requested that the orders of the Govt. prescribing the period of life of these engine sets as 7½ years may be reconsidered and a reasonable period may be prescribed.

4. For the reasons stated at p.5 cf, the C.E.I.G. has recommended that there is no need to revise the orde already issued by the Govt. prescribing the ~~a~~ life of t engine sets as 7½ years and that the accredited representativ may be informed accordingly. This is agreed to by the C.O.E.(S) also. In this connection, it may be mentioned that the amount of final compensation declared in the G. mentioned at K on p.1 ante as payable for the Udipi electrical undertaking has also not been agreed to by the accredited representative, since the Govt. have disallowed a su of about Rs.30,000/- (including the difference in respect of the engine sets under reference) included in the accre dited representative's claim. The accredited representa tive has maintained that the claim preferred by him is reasonable. He has requested that the question of compen sation payable for the Udipi undertaking may therefore referred to arbitration under sec.14 of the Acquisition Act. The matter has been referred to the C.E.I.G. and C.O.E.(S) for remarks, and their reply is awaited. In

the event of the matter going up before the arbitrator, the arbitrator will no doubt go into the question whether the period of life fixed by the Govt. for the engine sets in question is reasonable or not. In view of this, and the position stated by the C.E.I.G. in his letter at p.5 c.f., the recommendation of the C.E.I.G. and the C.O.E.(S) referred to at R on p3ante that it is not necessary to revise the orders already issued in G.O.Ms.No.3983 P.W. dated 25.9.52, may be accepted. A draft letter informing the accredited representative accordingly is submitted. Fin may see.

A

DR 26/12/52

DR 26/12/52

DR 26/12/52

Fin (P.W.R.) P.W.no.90495 dt/52

26.12.52

~~The proposal at A above and the~~ draft letter below may be accepted.

Anv
3.1.53

DR
3.1.53 PWD

ADDITIONAL DEPUTY SECRETARY TO GOVT.
98939
29 DEC 1952
PWR
FINANCE DEPARTMENT

PWD(J) Fin. Memo 98939 PW-I/53 dt 3-1-53.

Issue
DR
5/1/53

(Issued as Lr. no.90495 dt/52-3 dt 5-1-53)

ASSISTANT DEPUTY SECRETARY TO GOVT.
5 JAN 1953
PUBLIC WORKS DEPARTMENT

1250

The papers may be stitched
G.O.Ms no. 3983 PW dt 25-9-52.

DR
10/1/53

US
5.1.53

q.1.53

24/n